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The shop's planned amount of expenditure is determined each month by the actual locomotive mileage and the expenditure norms. Unproductive expenditures and between-trip locomotive repair have been eliminated. Rise in cost of repair with an unfulfilled mileage norm reflects on the shop which is at fault.

Application of cost accounting in the shops and brigades revealed large internal reserves, and made possible a sharp reduction in cost of the planned work in 1948 over 1947. Cost per locomotive-kilometer in all types of service was reduced 12.4 percent, the consumption norm and cost of fuel per 10,000 ton-kilometers of gross weight, 13 percent, cost of equipping locomotives, 6 percent, and the cost of operating coal cranes per one ton of hoisted fuel, 2 percent.

Locomotive turnover time was 6.9 percent lower than in 1947 and lower than the 1948 plan specified. The average daily run was increased 6.3 percent, and the average speed excluding stops was increased 5.4 percent. Introduction of brigade cost accounting on locomotives had a great effect on the fulfillment of the qualitative indexes.

In all series of locomotives in 1948, expenditures on overhauls were 28.8 percent lower than in 1947, and on washing, 32.2 percent lower.

The condition of locomotives and the quality of repair have been improved. This is shown by the fact that the run between overhauls by passenger locomotives has increased 28.8 percent over 1947, by freight locomotives, 27.5 percent, and by shunting locomotives 20.7 percent. Between-trip repair has been reduced. There has not been one case of nondelivery of locomotives. The proportion of locomotives under depot repair was 4 percent over a period of 10 months as opposed to the norm of 7 percent.

Eleven overhauls were saved by the increase in runs between repairs. The locomotives made additional runs amounting to 13,200 locomotive-kilometers, and more than 260,000 rubles were saved.

Reduction of idle time in repair is one of the results of increasing the volume of work in a locomotive park. At Depot imeni Il'ich, idle time of locomotives in washing and overhaul is less than the planned norm.

Fast overhaul, an additional source of profitability, is being used more and more at the depot.

In October, the locomotive of Senior Engineer Sivakov was repaired in 32 hours as against the norm of 84 hours. The repair cost was 6,732 rubles under estimate. The locomotive of Senior Engineer Lyutakov was repaired in 25 hours at a saving of 5,548 rubles, and the locomotive of Senior Engineer Zaytsev was repaired in 61 hours, saving 10,077 rubles. Idle time was decreased 134 hours on these three locomotives alone. In this time, the locomotives did an additional 1,500,000 ton-kilometers of work, and increased the income of the depot 13,700 rubles.

For evaluation of financial results, locomotives repaired in the shops are divided into two groups: (1) locomotives attached to the given depot, and (2) locomotives of other depots of the system.

Locomotives attached to the given depot are divided into locomotives which have fulfilled or overfulfilled the run norms between repairs, and locomotives which have not fulfilled these norms through the fault of the repair shops or the servicing shop, or for other reasons.

Expenditure norms of shops for repair of locomotives of other depots are established in terms of repair according to series without regard for run fulfillment.

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The expenditure norms for locomotives which have fulfilled or over-fulfilled the run norms are based on the measurement of 1,000 locomotive-kilometers. The better the technical condition of locomotives, the longer their run, and therefore, the higher the planned repair cost.

If a locomotive is repaired before the set date of repair through the fault of the repair shops, the planned cost is determined by the product of the expenditure norm for 1,000 locomotive-kilometers and the fulfilled run. The overexpenditures on such locomotives reflect on the shops which have been guilty of poor repair work.

The director of the depot personally approves ahead of time a list of repairs for each locomotive, and determines the financial responsibility among the shops.

For estimation of each shop's profits or losses, an account of the planned sum for the amount of fulfilled work is made and compared with the shop's expenditures, including in this sum only the expenditures of the given shop. The results of the work of other shops -- rise in cost of production, and overconsumption of materials and spare parts -- are not reflected in the work indexes of the given shop.

In 1948, the entire locomotive park at Depot imeni Il'ich was converted to cost accounting. All expenditures of the servicing shop were apportioned among the locomotives. From month to month the number of unprofitable locomotives has decreased, and the total saving has increased. Locomotives operating on a cost-accounting basis in 1947 made possible a saving of 121,700 rubles for the year, and the saving was 681,400 rubles, or more than five times as great in 1948.

Beside the expenditure saving in repair work, there was a great saving in fuel consumption. The depot was 6.7 percent over the norm for fuel consumption in 1947, and there was a saving of more than 500,000 rubles after payments of bonuses during 10 months of 1948. Thus, the locomotives and repair brigades of Depot imeni Il'ich operating on a cost-accounting basis have effected a saving of 1,400,000 rubles in operation of locomotives, alone. In the 1948 plan the locomotive repair norms were 10 percent lower than in 1947, and the fuel norms 12 percent lower.

Monthly checking of the results of the work exposed the lagging brigades, sections, and locomotives which did not observe the norms and which over-consumed resources. Placards indicating advanced and lagging shops, locomotives, and brigades, the daily schedules (planerki), monthly production meetings in the shops, reciprocal verification of agreements of socialistic competition, and news bulletins are some of the varied types of public control.

The experience of advanced workers is revealing tremendous cost-reduction reserves. The locomotive of Senior Engineer Vorob'yev made a run of 95,000 kilometers between overhauls saving 18,000 rubles and 107 tons of fuel, and the brigades of Senior Engineer Yereim made it possible to save 15,600 rubles and 166 tons of fuel on repair.

Improvement in the operation of the depot's locomotive park is reducing the cost of the system's freight and passenger service as a whole by increasing train speed and weight, accelerating railroad-car turnover, and improving the work of locomotives in shunting. Preliminary totals of 1948 show that improvement in the operation of the locomotive park of Depot imeni Il'ich saved the Western Railroad System approximately 7 million rubles over and above the plan. Of this amount, 3,435,000 rubles showed in the depot's balance for 10 months.

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The following is the distribution of profit and saving in the depot's balance:

1. Deducted by the State, 1 November, 2,016,000 rubles.
2. Paid out in operating expenditures from the savings account
 - a. Bonus to depot engineers and technical workers, 256,000 rubles.
 - b. Bonus to brigades and workers of the repair shops for high-quality repair work, 312,000 rubles. Of this amount, 98,000 was above plan.
 - c. Bonus to locomotive brigades for fuel economy, 981,000 rubles.
 - d. Bonus for saving by cost accounting on locomotives coming out of overhaul
 - (1) to locomotive brigades 65,000 rubles.
 - (2) to repair brigades, 19,000 rubles,
3. Total paid out in bonuses from the saving made at the depot, 1,419,000 rubles.

In 1948, Depot imeni Il'ich was awarded the Red Banner three times, and given a financial bonus of 250,000 rubles for pre-eminence in the All-Union socialist competition.

In addition to this, at the end of the year more than 320,000 rubles will be deducted for a director's fund and not less than 350,000 rubles for payment of a bonus to railroad engineers for operating without wrecks.

The depot's collective has overfulfilled the 1948 plan according to all indexes, and fulfilled its obligation 2 months ahead of time to give the state an accumulation of 2 million rubles over and above the plan. By the end of the year, an additional saving over and above the plan of not less than 500,000 rubles will have been accumulated.

The depot cost-accounting organization is favorably reflected in the general financial condition of the depot. A comparison of the depot's balance of 1 November 1947 and 1 November 1948 is sufficient proof: Profits increased 1,500,000 rubles, overstocking was cut 200,000 rubles, liabilities were reduced 110,000 rubles, and a director's fund of 320,000 rubles will be established.

It is necessary to issue regulations to the subsidiary enterprises of the railroad systems and the locomotive and repair plants concerning subsidiary planning and shop and brigade cost accounting. These regulations were worked out in conferences of planning and finance workers as early as May and June, but to date neither the Central Planning and Economics Section nor the Central Finance Section has issued them. Acceleration of the issue of these regulations would be an effective aid to the subsidiary enterprises in the drive for cost reduction and profit increase.

Shop and brigade workers who make saving possible, and work on a cost-accounting basis, must receive a material reward in the form of a bonus. At present, only the locomotive and repair-shop brigades receive a bonus. The problem should be solved concerning a bonus for the coal-crane brigades and the casting, spring, wheel and tire, and other shop brigades.

The size of the bonus paid shop engineers and technical workers must be differentiated according to the level attained in cost reduction in the shop. The Main Administration of Accounting of the Ministry of Transportation must

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help the workers of the enterprises through developing and issuing a plan for the most rational system of transmitting records from shops to the accounting office of the depot.

Issuance of mean progressive norms is performed very slowly, and must be accelerated.

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